

HOUSE BILL NO. 690

INTRODUCED BY R. BITNEY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE GOVERNING BODY OF A MUNICIPALITY TO RETAIN CERTAIN LOAN FUNDS RELATED TO A TERMINATED TAX INCREMENT FINANCING DISTRICT FOR THE PURPOSE OF CONTINUING AN URBAN RENEWAL PLAN; AMENDING SECTION 7-15-4292, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-15-4292, MCA, is amended to read:

"7-15-4292. Termination of tax increment financing -- exception. (1) The tax increment provision terminates upon the later of:

(a) the 15th year following its adoption or, if the tax increment provision was adopted prior to January 1, 1980, upon the 17th year following adoption; or

(b) the payment or provision for payment in full or discharge of all bonds for which the tax increment has been pledged and the interest on the bonds.

(2) ~~(a) Any~~ Except as provided in subsection (2)(b), amounts remaining in the special fund or any reserve fund after termination of the tax increment provision must be distributed among the various taxing bodies in proportion to their property tax revenue from the district.

(b) Funds remaining in the special fund or a reserve fund related to a binding loan commitment that a municipality entered into before the termination of a tax increment provision, loan repayments received after the date of termination of the tax increment provision from loans made pursuant to the binding loan commitment, or funds from loans previously made pursuant to a loan program established under an urban renewal plan may be retained by the municipality and used in accordance with the provisions of the urban renewal plan.

(3) After termination of the tax increment provision, all taxes must be levied upon the actual taxable value of the taxable property in the urban renewal area or the industrial district and must be paid into the funds of the respective taxing bodies.

(4) Bonds secured in whole or in part by a tax increment provision may not be issued after the 15th anniversary of tax increment provisions adopted after January 1, 1980, and the 17th anniversary of tax increment

1 provisions adopted prior to January 1, 1980. However, if bonds secured by a tax increment provision are
2 outstanding on the applicable anniversary, additional bonds secured by the tax increment provision may be
3 issued if the final maturity date of the bonds is not later than the final maturity date of any bonds then outstanding
4 and secured by the tax increment provision."

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6 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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8 NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the
9 meaning of 1-2-109, to the termination of tax increment provisions occurring after December 31, 2000.

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